DOCUMENT RESUME

ED 303 277 CG 023 431

TITLE Tomorrow's Choices: Preparing Now for Future Legal, Financial, and Health Care Decisions.
INSTITUTION American Association of Retired Persons, Washington, D.C.
PUB DATE 88
NOTE 68p.
PUB TYPE Information Analyses (070)

EDRS PRICE MF01 Plus Postage. PC Not Available from EDRS.
DESCRIPTORS *Aging (Individuals); Health Care Costs; *Health Needs; Housing; Income; *Older Adults; Parent Child Relationship; *Planning; *Retirement; Retirement Benefits

ABSTRACT

This booklet, addressed to healthy, independent adults who want to plan for secure later lives, presents information about planning for difficult times. The first section discusses issues related to where an individual will live as needs and physical abilities change. It describes services available to help individuals remain in their homes or to assist if parents move in with their adult children. Options to consider if staying at home is no longer possible are suggested. Each section contains a list of issues to consider as decisions about where to live are made. The second section discusses many of the critical financial decisions that need to be made in the event of unexpected occurrences. It covers managing taxes, obtaining and using credit, using public benefits, purchasing insurance, appointing people to act in one's behalf, and planning to protect survivors. The third section discusses health care decisions, including health care options of agreeing to treatment for illness, resuscitation, life support systems, nutrition and hydration, and hospice care. Living wills and durable power of attorney for health care are reviewed. The last section presents planning steps, action steps, and advice on talking to one's family and friends. Suggestions on people to talk to and resource lists are included. (ABL)

****
* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *
****

ED333272

TOMORROW'S CHOICES

Preparing Now for Future Legal, Financial, and

PLANNING FOR DIFFICULT TIMES

U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

☑ This document has been reproduced as received from the person or organization originating it.

☐ Minor changes have been made to improve reproduction quality.

• Points of view or opinions stated in this document do not necessarily represent official OERI position or policy.

"PERMISSION TO REPRODUCE THIS MATERIAL IN MICROFICHE ONLY HAS BEEN GRANTED BY

George Selby

TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)."

CG 023 431

AMERICAN ASSOCIATION OF RETIRED PERSONS

AARP

BEST COPY AVAILABLE

Copyright © 1988 American Association of Retired Persons. Reprinting without permission prohibited. TOMORROW'S CHOICES was produced by the American Association of Retired Persons as an educational service to members and other older persons. Use of this publication for commercial purposes is prohibited.

FOREWORD

With the help of modern medicine and modern technology, millions of Americans can now enjoy the pleasures of a long life. But, as we age, many of us will face difficult, life-changing events. A husband dies, a wife develops Alzheimer's Disease, an elderly mother breaks her hip. Not all of us, or even most of us, will experience these situations ourselves. But many of us will be touched in some way by such events.

This publication is one in a series developed by AARP to encourage individuals and families to plan for the difficult times of life. Most people don't plan for the future, for the unexpected. It's a process that requires projecting oneself into future situations and anticipating negative possibilities. It means realistic decisions based on a hard look at values and options.

But planning for difficult times is the most reliable way of assuring that an individual's preferences and values are understood, and that self-determination is maintained even when others must make decisions on the individual's behalf. And making personal preferences known in advance avoids some of the stress and burden for family, caregivers, and professionals who must make difficult choices in times of crisis. In addition, financial and legal plans can help to protect the resources of families and caregivers and strengthen their ability to cope with complex situations.

These are difficult subjects to consider, and there are no easy answers. But stories our members tell have shown us time and time again how important life planning can be. This booklet is addressed to you, the healthy, independent adult who wants to plan for a secure later life. We also urge you to share this resource and help others—parents, family, and friends—to plan as well.

Planning for the future is a difficult task, but it's one that helps everyone prepare for the hard decisions which may face us in unexpected and difficult times.

Horace B. Deets
Executive Director, AARP

ACKNOWLEDGEMENTS

This publication is a collaborative project of the AARP Program Department and the AARP Health Care Campaign. Primary writing and editing was done by Program Department staff members.

Special appreciation is due the law firm of Landsman, Eakes and Laster (Washington, D.C.) for their technical assistance in matters of elder law and protective services.

CONTENTS

PAGE

4 **WHY PLAN?**

7 **MAKING LIVING ARRANGEMENTS**

8 STAYING IN YOUR HOME
- Friendly Visitors
- Telephone Reassurance
- Homemaker Services
- Home Chore Services
- Home Health Care
- Home Delivered Meals
- Nutrition Services
- Adult Day Care Centers
- Respite Care
- Senior Centers
- Case Management
- Assistive Devices
- Personal Emergency Response Systems *(PERS)*
- Home Maintenance and Repair Programs
- Home Adaptation

16 THINKING ABOUT MOVING
- Living With Your Children
- Foster Care
- Home Sharing
- Adding an Accessory Apartment
- ECHO Housing
- Board and Care Homes
- Congregate Housing
- "Life Care" or Continuing Care Retirement Communities *(CCRCs)*
- Nursing Homes

24 PEOPLE TO TALK TO

25 RESOURCES

27 **MANAGING YOUR FINANCIAL ASSETS**

29 MAXIMIZING YOUR INCOME RESOURCES
- Public Income Benefits and Pensions
  - *Social Security Benefits*
  - *Private Pensions*
  - *Supplemental Security Income*
  - *Food Stamp and Low Income Energy Assistance*
- Tax Considerations
  - *Tax Deductions for Dependents*
  - *Tax Deductions for Medical Expenses*
  - *Your Home*
  - *Estate Taxes*
  - *Widows/Widowers*
- Borrowing Money
  - *Credit Cards*
  - *Consumer Loans*
  - *Second Mortgages*
  - *Home Equity Conversion*

34 MANAGING THE COST OF MEDICAL CARE
- Acute Care
  - *Medicare*
  - *Medigap Insurance*
  - *Other Private Insurance*
  - *Health Maintenance Organizations* (HMOs)
- Long-Term Care
  - *Medicaid*
  - *Long-Term Care Insurance*

38 APPOINTING PEOPLE TO ACT IN YOUR BEHALF
- Legal Arrangements You Initiate
  - *Durable Power of Attorney*
  - *Revocable Living Trust*
  - *Irrevocable Living Trust*
  - *Joint Ownership*
- Arrangements That Could Be Initiated By Others
  - *Representative Payee*
  - *Guardianship*
  - *Conservatorship*

42 PLANNING TO PROTECT YOUR SURVIVORS
- *Funeral Planning*
- *Wills*
- *Trusts*
- *Life Insurance*

44 PEOPLE TO TALK TO

45 RESOURCES

46 **HEALTH CARE DECISIONS**

48 HEALTH CARE OPTIONS
- Agreeing to Treatment for Illness
- Resuscitation
- Life Support Systems
- Nutrition and Hydration
- Hospice Care

50 PEOPLE TO TALK TO

51 LEGAL TOOLS
- Living Wills
- Durable Power of Attorney for Health Care

53 RESOURCES

54 SAFEGUARDING YOUR FUTURE

56 **WHERE TO BEGIN**

58 ACTIONS TO TAKE NOW

59 PLANS TO START MAKING NOW

60 TALKING TO YOUR LOVED ONES

63 STATE AGENCIES ON AGING

WHY PLAN?

"I wish I had done some planning ahead. My wife's stay in the nursing home wiped us out financially. I tried to take care of her, but it took everything out of me physically and emotionally. If I knew then what I know now, I would have done things a lot differently."

Most of us agree that planning ahead is the best way to avoid helplessness and stress in the face of unexpected events, but few of us take the time to do the thinking, talking and acting needed to prepare for the future. And although being a burden on our family and friends may be the greatest fear we have about growing old, many of us have difficulty facing the possibility of dependence, disability, and incapacity.

Planning for difficult times is particularly hard because it requires anticipating negative possibilities and trying to imagine uncertain, hard-to-face situations. We all want to feel we are in control of our lives. As competent, healthy adults we can be. But there may come a time when our options are limited by physical disability or our ability to make choices is impaired by mental incapacity. If that happens, others must make choices for us. They may include family members, social workers, physicians, lawyers, or court-appointed guardians.

Planning ahead is a special sort of insurance. It can protect your future even though you may never expect to use it. Planning ahead for difficult times is the best way to ensure that, if others must make decisions for you, the decisions they make will represent your needs, desires, and preferences. Designating a person to make decisions for you may help to avoid court proceedings to establish guardianship over you and can help ensure that your finances and health care are handled as you would want. And putting your preferences and decisions in writing will help you decrease the risk of future mistreatment, mismanagement, or exploitation.

Planning ahead is important for both single and married people. Many married couples may feel they have planned sufficiently for the future through joint ownership of property and other distributions of resources. But each partner has personal preferences, values, and needs, and should have an individual plan as well. Women are especially vulnerable if they assume that they are "taken care of" if their husband alone has a will and is covered by insurance. Single people need to plan especially well, since they can not rely on a resident life-partner to handle their crises.

Planning ahead is more than just being practical—it is an act of love. By making your preferences known in advance, you can help your family avoid disagreements over your care and finances and the stress of making difficult choices in crisis situations.

Clearly each person's future will be different as it unfolds. The way that your living situation, personal relationships, service options, and finances interact will make your situation unique. It is important, when planning, to look carefully at how your care options, family resources and financial alternatives can be coordinated to provide the best possible plan to help you meet your needs.

While much of your planning will be determined by the options available, you will be happiest with your choices if they are based on your values and beliefs. How great is your need for independence? How much responsibility do you feel your children have to care for you? Do they share your beliefs? How important is it to you that you leave something to your heirs? What does "quality of life" mean to you? How would you weigh the benefits and burdens of medical treatments?

There are no magic solutions to the problems that face us as we age, but there are three good steps you can take now to avoid such crises in the future:

Step 1 Decide now, while you are well, how you will want to handle these situations if you ever face them.

Step 2 Organize the resources you may need later and take the legal steps now that are necessary to ensure that your wishes will be carried out.

Step 3 Share your planning process and decisions with the people closest to you—the people whose help you may need later to carry out your decisions.

We each have unique life experiences, values, and expectations. The plans we make will affect other people in our lives. Ask the people closest to you to share in your explorations. Show them this booklet so they can understand your plans and provide you with support and encouragement.

MAKING LIVING ARRANGEMENTS

"Until I started losing my sight, life was treating me pretty well. I've been single all my life and pretty independent. But now I can't do things for myself. I can't drive, so I don't know how I'll get to the doctor's office or the grocery store. I'm afraid to cook, but insurance won't pay for me to get a homemaker to help me. I can't see well enough to write checks to pay my bills. I'm not sure I'm going to be able to stay in my home."

This chapter is designed to help you address issues related to where you (or your parents) will live as your needs and physical abilities change. It describes services available to help you remain in your own home or to assist you if your parents move in with you, and it suggests options to consider if staying at home alone is no longer possible. Each section contains a list of issues to consider as you make decisions about where to live.

STAYING IN YOUR HOME

Remaining independent and living at home is the preference of most older persons.

A number of services are available today which can help you stay in your home and live an independent life—even if you develop some physical or mental limitations.

You may need only one service, such as home delivered meals, to allow you to remain independent. If you are alone or less healthy, you may need a combination of services. Personal care services can be "mixed and matched" to meet your needs and the needs of the family members and friends who help you.

This section describes the services that are most commonly available in the home. These services include visitors who provide companionship and run errands; volunteers who check in with you regularly by telephone; assistance in grooming, dressing, meal preparation and shopping; household repair; home health care by a health professional; and home-delivered meals.

As you think about arranging for services to help you stay in your home, consider the following:

- Not all communities have all the services listed. Talk to friends, family, your physician and clergy about what they know is available. Your Area Agency on Aging (usually listed in your telephone directory under the Local Government heading) can be an excellent source of information.
- What does each service cost? How much of the cost can be paid for through Medicare? Medicaid? Other insurance?
- If you need several services, does the cost of all of them added together become prohibitive?
- Can you count on family or friends to help out? On a regular basis or occasionally? Financially? With transportation?
- Can your home be modified to accommodate a physical disability?

REMEMBER, there is no need to feel guilty about asking for assistance. Often, you have to let others know what you need before they can help.

REMEMBER, too, that your family and friends can't always give you what you need or want. They may live far away, or have other demands in their lives that complicate their ability to help you. They are likely to feel guilty about this and reluctant to ask for outside help in providing your care. Talk this through and come up with a "plan of action" that is realistic and best for all concerned.

Friendly Visitors

Friendly visitors are volunteers who regularly visit older persons who may need companionship. They may read, write letters, run local errands, etc.

Cost No charge.

Availability Varies. Usually provided by a religious or voluntary organization. Contact your church or synagogue or the Visiting Nurses Association to see if the service exists in your community.

Telephone Reassurance

Telephone reassurance is offered by volunteers who arrange to talk to you daily to ensure that "all is well." This service is especially helpful to people who live alone.

Cost No charge.

Availability Varies. Contact your Area Agency on Aging, church or synagogue, or Visiting Nurses Association.

Homemaker Services

Homemaker services include assistance with grooming and dressing, and help with meal preparation, food shopping or light housekeeping.

Cost Around $10 per hour. Usually not covered by Medicare. Medicaid and Medigap insurance coverage varies by state and by policy, respectively.

Availability Widely available. Contact your Area Agency on Aging for information.

Area Agencies on Aging (AAA)

The "AAA" is the focal point for aging activities in your area. It can help define [illegible] service options in the place you will be living. These agencies are government-spo[illegible] locate your AAA, consult the Local Government section of your telephone directo[illegible] have to locate your AAA by contacting your state's agency for aging services). Th[illegible] 700 AAAs nationwide, covering all parts of the United States.

Home Chore Services

Home chore services offer minor household repairs, household cleaning and yardwork.

Cost Costs average $5 per hour, plus materials. Free or reduced-rate programs may be available through the Area Agency on Aging.

Availability Widely available. Contact your Area Agency on Aging for information.

Home Health Care

Home health care covers a wide variety of medical services provided by such professionals as a nurse or physical therapist.

Cost Costs can range from $25 per visit for 1–2 hours by a registered nurse to $50 per visit for a therapist. Medicare, Medicaid, and Medigap insurance *may* all cover some home health care costs, depending on the service and the policy.

Availability Widely available. Contact your Visiting Nurses Association or your Area Agency on Aging.

NOTE

Medicare will pay for home health care if the patient is confined to the home, requires part-time nursing care or therapy under a plan set up by a doctor. Dollar limits are set on payments for each type of service and the patient must pay the difference between the Medicare limit and the actual charge. Check with your local Social Security office or the Medicare insurance carrier for details.

Home-Delivered Meals

Home-delivered meals or "meals-on-wheels" is a service that delivers hot, nutritious meals once or twice a day, usually five days per week. Most home-delivered meal programs can accommodate special diets.

Cost Usually $2–$4 per meal. Some programs have a sliding scale fee determined by your ability to pay.

Availability Widely available. Contact your Area Agency on Aging for information.

To Consider...

Many of these in-home services require that a stranger come into your house. Before deciding which services to use, be sure to obtain the following information:

- When using an agency to obtain a personal care aide, ask for and check out the references of the agency itself. The agency should be bonded. Is it a member of the Better Business Bureau or Chamber of Commerce?
- Ask for and contact the aide's references.
- Be sure that the aide is trained to perform the required duties.
- Settle all arrangements for paying the aide, his or her transportation costs, Social Security, or other fringe benefits before the aide starts work.
- Find out who is legally liable and responsible if anything is stolen by the aide or if the aide is involved in an accident in your home.
- Prepare a schedule of tasks and working hours for your aide before every visit. Insist that the aide follow your schedule.
- Require that receipts accompany all purchases made on your behalf by the aide during shopping trips.
- Provide the aide with a list of telephone numbers that can be called in an emergency.
- Ask for and expect regular contact with the aide's supervisor.
- Call the supervisor with any compliments or complaints about the aide's performance. Contact your Better Business Bureau if the agency is unresponsive to your complaint.
- Dismiss the aide if you are not satisfied with the service.

OTHER COMMUNITY SERVICES

Most communities offer a variety of services outside the home which can help you meet daily needs and at the same time allow you to socialize with other people. As with the services provided inside your home, it is important to be sure that the aides and workers providing these outside services are properly trained and have references. Find out who is responsible for the program so you will know who to talk with if you have a problem or question.

Because these services are outside the home, you need to ask yourself some additional questions:

- Will you have transportation to get to the service (e.g., provided by the facility, public transportation, reasonable cab fare, rides from family or friends)?
- Is the service located in an area of your town in which you feel safe?

Nutrition Services

Nutrition services provide people with inexpensive, nutritious meals in group settings such as senior centers, churches, synagogues or senior housing. Nutrition sites may provide transportation.

Cost $2–$4 per meal. Fees may be waived or you may make a donation.

Availability Widely available. Contact your Area Agency on Aging or senior center for information.

Adult Day Care Centers

Adult day care centers offer a variety of health care and social services for people who need assistance with personal care such as grooming or toileting, but not round-the-clock care. Transportation may be provided to the center where people may spend a few hours or all day.

Cost Can be as high as $30 a day. Sliding fee scales are widely available. The cost is not covered by Medicare.

Availability Varies. The centers may be operated by hospitals, nursing homes, religious organizations or privately owned care centers. Contact your Area Agency on Aging for information.

Respite Care

Respite care provides short-term relief to people who care for an older person at home. The respite can be for a few hours or several days. It may be provided at home, at adult day care centers, or at hospitals overnight.

Cost Varies. May be free if provided by volunteers through religious or voluntary organizations. A fee will be charged if provided by a hospital, nursing home or home health agency.

Availability Varies. Contact your Area Agency on Aging for information.

Senior Centers

Senior Centers offer older people an opportunity to socialize and a place to meet. They offer a wide variety of social, educational, and recreational programs. Some senior centers provide transportation services.

Cost No charge. May be nominal fees for special events or trips organized through the center.

Availability Widely available. Contact your Area Agency on Aging for information.

Case Management

Case management is a method of assessing a person's total care needs, arranging for necessary services, and coordinating their delivery. Since care problems rarely occur one at a time and services may be fragmented, this service can be used by caregivers to coordinate a care plan.

Cost Varies. When provided by an Area Agency on Aging or other nonprofit organizations there is usually no charge, or the charge may be based on a sliding scale according to ability to pay. When provided by private case management businesses, rates can be as high as $70 per hour. You can expect a 3–4 hour charge to assess the older person's situation and to make arrangements. Ongoing coordination, if desired, would be extra. The cost is not covered by Medicare.

Availability Varies, but becoming more widely available. Contact your Area Agency on Aging for information.

Assistive Devices

Assistive devices are services and products that can be purchased or rented to help a person function better at home. These may include devices for the hearing impaired, people with vision problems, and those who need help in walking or moving about.

Some examples

For people with hearing problems:

- alerting devices that tell you when your doorbell, smoke alarm, or alarm clock is ringing;
- amplification devices that make it easier to hear your telephone callers;
- Telecommunication Devices for the Deaf (TDDs) that translate voice conversations into print so that hearing impaired people can make their own telephone calls; and
- telecaption adapters for TVs to allow people to read captions on the screen.

For people with vision problems:

- a wide variety of products are available with braille or large type (e.g., watches, pushbutton phone attachments, kitchen utensils, and blood pressure kits);
- tape-recorded books; and
- radio reading services.

For those with mobility problems:

- walkers, canes, wheelchairs; and
- grab bars for bathrooms, hallways, etc.

Cost Costs vary greatly depending on the product. Medicare may pay for the rental or part of the purchase price for wheelchairs, walkers, or other devices if they are prescribed by a doctor.

Availability Widely Available. Assistive devices may be available from medical equipment rental stores or electronic product retail stores. Several states have assistive device distribution programs operated by the state rehabilitation agency for the disabled. (See the "Resources" section of this chapter for appropriate organizations to contact.)

Personal Emergency Response Systems—(PERS)

PERS are emergency alert button devices that are placed in your home and can be pressed to summon help from emergency response centers such as hospitals or 800 numbers.,

Cost Up to $1300 for equipment, and usually a monthly fee, often around $30. PERS also can be leased from their manufacturers and hospitals and may be available for free if provided by an Area Agency on Aging.

Availability Approximately ten national companies manufacture PERS. They may not be readily available in all areas.

Home Maintenance and Repair Programs

Home Maintenance and Repair Programs (usually sponsored by nonprofit organizations) provide home maintenance, home repairs, and help with emergencies such as frozen pipes. No major improvements or cosmetic changes are included. Some programs will help you work with contractors.

Cost Often for a nominal annual fee (around $10) you get one annual visit and access to emergency services and reduced rates. You must pay for repairs. Some programs offer free labor if you provide the materials.

Availability Widely available. Contact your Area Agency on Aging for information.

Home Adaptation

Home adaptation means making changes to your home to accommodate your changed needs. Adaptation may include small changes like installing grab bars, or major changes such as widening doorways for wheelchairs or installing a bathroom on the first floor of your home.

Cost Varies depending on the adaptations required. Check with your Area Agency on Aging or Department of Community Development about low-interest loans for this purpose. Adaptations may be tax deductible under medical expense deduction provisions if they are required and certified by your doctor and do not increase the value of your property.

Availability You need a good contractor and a good idea of what you want done. Seek advice from professionals you know you can rely on, such as an occupational therapist, before hiring anyone to do major jobs.

THINKING ABOUT MOVING

While most people prefer to live at home, the day may come when your circumstances change and your living situation must also change. It could be caused by the death of a spouse, leaving the survivor alone in a home that is too large and costly to maintain. It could be a debilitating illness, which limits your mobility and your ability to care for yourself. Or it could just be your desire to give up some of the responsibilities involved in living in your own home.

Try to anticipate what your needs may be in advance of a situation that would force you from your home so you can think through your options and maintain control of your choices.

The following list of questions will help you think about the things that are important to you in a home and will help you identify and evaluate potential new living situations to see what will be right for you. Ask yourself . . .

- Will you be accessible to friends you visit or to people with whom you can make new friendships?
- Will you be accessible to your family?
- Can you easily get to a place of worship?
- Will you have access to favorite stores, familiar public transportation, and other services you are accustomed to using?
- How much privacy do you need?
- Will you be able to have pets, personal furnishings, and other desired items with you?
- What is an adequate amount of living space for you?
- Are bedroom and bathroom on the first floor?
- Will familiar doctors, pharmacists and health care services be available?
- Will you have adequate companionship?
- Is the neighborhood secure?
- Will you be expected to help with home and yard maintenance?
- What are your current housing costs? (A general rule of thumb is that approximately 30 percent of your gross income should be spent on housing, including utilities.)
- Is the amount you now spend comfortable for you?
- Are you eligible for housing assistance such as rent subsidies, fuel assistance or property tax breaks? Eligibility requirements vary according to your locality, so check with your Area Agency on Aging.
- Do you anticipate any additional or unusual housing expenses (new appliances, adaptations, etc.) in the next five years?
- Would you consider sharing your home with someone to cut your costs?
- Could your house be modified to bring in extra rental income?
- Have you designated someone through a durable power of attorney who has the authority to take care of the sale of your property if you are incapacitated?

When thinking about a change in your living situation, consider these options . . .

Living with Your [illegible]

For many people, moving in with their adult children is the best choice when living alone is no longer possible. For other people, it can be a difficult choice (sometimes the poorest of the available options). If you are considering such a move, you need to talk seriously with your family to understand how each one of them feels. You also need to be sure to express all your feelings about the situation. Talk with friends who live with their children and try to understand what it's like for them. Think through these questions for both parents and children and discuss the issues together before agreeing to join their household.

Questions for the Parent

- Does your son or daughter want you to move in? If not, and you move in anyway, will the emotional strain be too much on you?
- How will living expenses be shared?
- What will you use for transportation? Will you have easy access to shopping, a place of worship, friends and other interests of your own?
- Do you have friends in the area where your children live? Are there people close by with whom you can create friendships?
- Will you be able to accommodate your child's lifestyle?
- Will you be able to live with your children's children?
- Can your children afford to have you live with them?
- How will your presence affect family relationships?
- How much time will you expect your child to spend with you?

Questions for the Child

- Do you want your parent to move in? Have you been honest in expressing your feelings about it?
- If you don't want your mother or father to move in but it must happen anyway, will you be able to handle it?
- How much time can you spend with your parent? Have you explained what your weeks and weekends are like?
- Do you expect your parent to do chores around the house? Is this a reasonable expectation? Have you talked to your parent about what to expect and why?
- Can you afford it?
- Are you aware of local services that could help you through difficult situations?

Foster Care

Foster care is a social service that places an older person who is in need of a modest amount of daily assistance into a warm home environment. The costs vary, and may be covered by the state social services program. The older person may be expected to contribute to the stipend paid to the family providing the foster care. The availability of this program is limited. Contact your Area Agency on Aging for more information.

Home Sharing

As an alternative to moving in with an adult child, you may want to consider sharing your home with others, moving into someone else's home, or finding a new house that can accommodate you and several other people of your choice.

Shared households can be arranged either by sharing expenses or by exchanging services for rent. For example, a homebound homeowner might prefer having someone do housework, shopping, yardwork or other errands in exchange for free lodging. This sort of arrangement should be put in writing, so there are no misunderstandings later.

Things to consider:

- Do your local zoning laws permit two or more unrelated people to share a house? Check with your local zoning or planning board.
- Will you want to share your home or move to share another's home?
- How will your personality fit with your potential housemate's?
- How will sharing affect your finances?
- How will you divide household duties and finances?
- How will you resolve differences that arise?
- What will new income do to your eligibility for certain public benefits like Supplemental Security Income and Food Stamps?
- What will your responsibility be if your housemate becomes ill?

[illegible] an Accessory Apartment

Another way to stay in your own home is to add a separate, self-contained apartment unit to your house, called an accessory apartment. This allows you to stay in your house but not be alone, and the rental income will provide you with additional living resources. Creating a new kitchen, bath and access are usually the most expensive changes to be made; however, your home may only require minor changes to accommodate an accessory unit.

Before you start building you might consider:

- Do zoning laws allow accessory apartments? Check with your local zoning or planning board before making plans.
- Will the cost of the renovation, increased utility bills, higher taxes, and insurance premiums be covered in the rent you receive? Will the benefit of having someone nearby be worth the expense?
- Will you expect your tenant to be a companion or will you have a landlord/tenant relationship?
- Is sufficient parking available?
- How will you divide costs like taxes and utilities between you and the renter?
- Will you be able to manage the responsibilities of a landlord?
- Will you be able to find tenants?

Before you search for your tenant, consider whether you want a companion, someone who provides home services, or just a renter. If you need help around the house, some tenants may be willing to exchange services for rent. Any arrangement for exchange of services in lieu of rent should be put in writing as part of the rental agreement.

ECHO Housing

If you don't wish to move in with your children, living in a cottage on their property might be a workable alternative. Elder Cottage Housing Opportunity (ECHO for short) units are small, self-contained, portable housing units that can be placed in the back or side yard of a single family house. They were first manufactured in Australia to enable parents to remain near their adult children and families. ECHO units provide closeness, while retaining privacy for both parties.

The cost of ECHO Housing is less than a new home. For example, companies in California and Pennsylvania offer completely installed one-bedroom units with more than 500 square feet of living space for around $25,000.

Considerations:

- Do zoning laws restrict this type of structure? Check with your local zoning or planning board.
- Is there adequate yard space for both structures?
- Is parking needed or adequate?
- What will the local tax treatment be? Will it add to the value of your property?
- Are utility hook-ups available?

Board and Care Homes

Board and care homes go by many names (including personal care homes, residential care facilities, domiciliary care, and assisted living). Generally they provide, in exchange for rent, your room, meals, utilities, housekeeping and laundry, and regular contact with staff to insure that "all is well." The daily contact with staff is what distinguishes "board and care" homes from the more familiar boarding houses. You would share this home, of course, with a number of other residents.

Visit the home before you decide to move in. Look at the private room you may occupy. Ask lots of questions about the services and evaluate the staff. Ask for references and check the home's record with the local or state licensing agency.

Consider these issues:

- Will you have privacy and independence?
- Is common space available?
- How much will it cost, including add-ons to the rent?
- Is it near public transportation, places of worship, and shopping?
- Can the home meet your special dietary needs?
- Does the home comply with local licensing, fire and zoning laws? Is it licensed by the state?
- What are the arrangements for sharing bathrooms?
- Will you have to climb stairs?
- Are there security locks on each room?
- Will you have access to a telephone?
- Are pets allowed? Who will care for them?

Congregate Housing

Congregate Housing is usually an apartment complex that provides each tenant a full apartment, serves meals in a central dining room, and provides housekeeping services. It is different from board and care homes because the individual units include kitchens and because it provides a professional staff that may include social workers, counselors, or nutritionists.

Today, most congregate housing facilities are sponsored by non-profit agencies and range in size from 35 to 300 living units. You may find congregate housing facilities listed under "Retirement Communities" in your local telephone directory.

The rates vary, and federal subsidies often help cover a portion of rental fees.

Things to consider before selecting congregate housing:

- Is transportation to stores, places of worship, and other services available?
- Can the facility accommodate your special dietary needs?
- Do you have access to telephones?
- Are there any restrictions on visitors?
- Is there adequate security for your personal belongings?
- What in-house services are available? (Look for services such as occupational and physical therapy, counseling, recreational and social activities, a library, and daily telephone monitoring.)
- Do services like physical therapy cost extra? Be sure to check for all costs in advance.
- What are the policies on bringing your own furniture?
- Are pets allowed?
- How do you feel about the overall atmosphere of the facility?

Continuing Care Retirement Communities (CCRC)

Continuing care communities offer the benefit of independent living in apartments and houses, but with health care services and a nursing facility on the premises. Payment for nursing care and many other services is sometimes made in advance.

The cost of a continuing care community can be high. The entrance fee can range from $50,000 to $250,000 (which may or may not be refundable) and you must also pay monthly fees (that can increase while you are a resident).

The difference between a continuing care community and board and care homes or congregate housing is that continuing care communities provide you with a commitment to take care of you, regardless of any changes in your health, for as long as you reside in the community.

If you are considering a move to a continuing care community, BE CAUTIOUS. Some continuing care communities have financial problems. Review the facility's financial statement with your attorney or accountant and note its cash reserves and its policy for using them. Check with the local or state Long-Term Care Ombudsman, as well as the Better Business Bureau or the Consumer Protection Office in the CCRC's locality to be sure it has not generated complaints of any kind.

Some things to consider are:

- How complete is the nursing facility? What services does it provide?
- What medical costs does the contract cover?
- What is the policy for transferring residents between apartments and the nursing facility?
- Is the management open and responsive to resident concerns?
- Do the fees cover all of your costs? Do you have to pay extra for anything (such as laundry)?
- Are places of worship nearby?
- Is transportation to needed services, like grocery stores, available?
- Is there access to a telephone?
- What is the refund policy for deposits and entrance fees? How is the amount of the refund calculated? When are you entitled to receive a refund?

Nursing Homes

Nursing homes are for people who need extensive and extended health or personal care. Many people live in nursing homes unnecessarily because they thought they had no other alternatives. Nursing homes are intended only for those who are seriously ill—not for people who feel they have no other options.

There are about 20,000 nursing homes in the United States, serving about 5% of the older population. The chances are about one in four that you will need to reside in a nursing home at some time in your life. The cost for staying one year in a nursing home generally ranges between $20,000 and $48,000. Medicare and private medigap insurance plans reimburse very little of the cost. An extended stay in a nursing home can wipe out a family's savings, so advance planning for this eventuality is critical. Only when a nursing home patient becomes impoverished does Medicaid begin to pay the cost of nursing home care.

Before entering a nursing home, ask yourself:

- Have you explored thoroughly the home and community-based options described in this book?
- How will you meet the expenses?
- How will you cope with the institutional atmosphere? The loss of independence?
- Is the home convenient for visiting by your family and friends?
- Is the home clean and odor free?
- Can the home ensure the security of your possessions?
- What levels of care are available? Are they appropriate to your needs?

PEOPLE TO TALK TO

- your family (or a trusted advisor) about their reactions to the plans you are making;
- at least one person who lives in the type of facility you are contemplating;
- the Better Business Bureau and Consumer Protection Office in the area where the facility or service is located, to check on its reputation;
- an attorney if you will be required to sign a contract; and
- state and local Long-Term Care Ombudsman Programs that are set up to investigate complaints and mediate disputes between residents and/or their families and nursing home facilities. You can find them through your State Agency on Aging.

RESOURCES*

There are many resources available to help you learn more about personal care services and housing options and make the decisions that are right for you.

Free AARP Publications:

- ☐ A Handbook About Care in the Home (D955)
- ☐ A Path for Caregivers (D12957)
- ☐ Miles Away and Still Caring (for long- distance caregivers) (D12748)
- ☐ Making Wise Decisions (about long-term care) (D12435)
- ☐ Doable Renewable Home: Making Your Home Fit Your Needs (D12470)
- ☐ Guide to Personal Emergency Response Systems (D12905)
- ☐ How to Protect Your Home (D395)
- ☐ How to Conduct a Security Survey (D396)
- ☐ How to Protect Your Neighborhood (D397)
- ☐ Your Home, Your Choice (D12143)
- ☐ Consumer's Guide to Homesharing (D12774)
- ☐ A Consumer's Guide to Accessory Apartments (D1158)
- ☐ ECHO Housing: A Review of Housing Issues (D1023)
- ☐ ECHO Housing: Recommended Construction and Installation Standards (D12212)
- ☐ ECHO Housing: Restrictions on Manufactured Housing (D1186)
- ☐ A Home Away From Home: A Consumer's Guide to Board and Care Homes (D12446)
- ☐ The Right Place at the Right Time (about nursing homes) (D12381)
- ☐ A Checklist of Concerns/Resources for Caregivers (D12895)
- ☐ Care Management (D13803)

From AARP Books:

- ☐ Caregiving (819)
- ☐ Guide to Continuing Care Retirement Communities (838)
- ☐ Homesharing and Other Lifestyle Options (834)

*To order AARP publications, please see page 61.

28

National Organizations

These national organizations may have additional reference material or be able to provide assistance through their local affiliates:

National Citizens Coalition on Nursing Home Reform
1424 16th Street, NW
Washington, DC 20036-2211

National Association for Home Care
519 C Street, NE
Washington, DC 20002

National Home Caring Council
235 Park Avenue South
New York, NY 10003

Helen Keller National Center
for Deaf-Blind Youths and Adults
111 Middle Neck Road
Sands Point, NY 11050

For more information about assistive devices:

HEARING
National Captioning Institute
5203 Leesburg Pike
Falls Church, VA 22041

Alexander Graham Bell Association for the Deaf
3417 Volta Place, N.W.
Washington, DC 20007

VISION
The Lighthouse
111 East 59th Street
New York, NY 10022

National Society to Prevent Blindness
500 East Remington Road
Schaumburg, IL 60173

American Foundation for the Blind
15 West 16th Street
New York, NY 10011

GENERAL
AT&T National Special Needs Center
2001 Route 46
Parsippany, NJ 07054

Tele-Consumer Hotline
1-800-332-1124
In Washington, DC, call 223-4371

MANAGING YOUR FINANCIAL ASSETS

"My wife and I enjoyed 40 years together before she developed Alzheimer's Disease two years ago. Now, she doesn't even know me. I can't get her to eat proper meals, she can't dress or clean herself, and I have to watch her every minute or she wanders out of our house. I'm at my wit's end! Our doctor says she belongs in a nursing home, but we don't have enough money for that and I always promised her I'd take care of her no matter what. Now she's developed cataracts, and I don't know which would be more frightening to her—to lose her sight or to have the operation. I don't know what she would want me to do—we never talked about things like this."

The costs of medical treatment, personal care services and nursing care during times of chronic illness, disability or mental incapacity can be devastating to you and your family. In planning for these possibilities, it is important to ensure that you receive the full income to which you are entitled from pensions, Social Security, and other sources. It is essential that you protect and make the best use of your resources when you must use them to pay the costs of long-term care. This requires planning ahead to assess your resources and determine the best arrangements for meeting your needs.

This section discusses many of the critical financial decisions that need to be made in the event of unexpected occurrences. It covers managing your taxes, obtaining and using credit, using public benefits, purchasing insurance, and other vital areas of your financial situation. With careful planning, these elements can work as an interrelated whole to help you through a difficult period. If you fail to plan, these issues can become a barrier for you and your family to overcome when illness, disability or incapacity require crisis decision making. Understanding the financial issues involved in planning for incapacity may help to protect you and your assets from mismanagement, fraud, or exploitation by family or other caregivers or guardians.

Older adults may need to plan for the managed spending of their resources to be sure that in the event of a catastrophic illness or long-term disability bills are paid, needs are met, and entire family units are not left needlessly impoverished.

Not all elements of this section will apply to your situation. Select those you think fit and work with them to develop a plan that will meet your needs. In addition, this section does not deal with financial issues such as investments or structuring the disposition of your estate. These aspects of financial planning for asset growth depend on your unique financial situation and place in the life cycle.

Should you invest only in short-term instruments? Should you transfer some of your property to other family members? The answers to these questions can be developed only after you decide on your personal financial priorities. Take some time to put your financial goals down on paper; remember that these goals must reflect your housing, health care, and other life-plan decisions. Then review your ideas with a professional—a lawyer, banker, or financial planner who specializes in working with older persons. This individual can help you determine whether your goals are realistic, refine your objectives (if necessary), and work to achieve your goals.

MAXIMIZING YOUR INCOME RESOURCES

To plan for the managed use of your resources, you need first to assess your sources of income and their reliability over the long term. Then you will need to consider the most appropriate ways to conserve and protect your resources so they will be available should you need them if illness or incapacity occurs. Decide carefully, and beware of persons who suggest schemes for using your assets to make quick income.

Public Income Benefits and Pensions

Public benefit programs serve as a form of insurance against poverty. When serious illness hits, the disability benefits of Social Security may be of help to you and your family. The disability benefit program under the Supplemental Security Income (SSI) program also could be a source of relief.

In general, consumers need to be aware of what benefits they are entitled to, and when. Many older adults receive incorrect amounts from the Social Security Administration. A recent government audit found that one in six is receiving too much or too little Social Security.

More disturbing, at least half of those who are eligible for low-income public benefits do not receive them, usually because they don't know about the program that provides them. These programs include Supplemental Security Income, Food Stamps, and Low Income Energy Assistance.

Be sure you know what benefits are due to you as a taxpayer and consumer. Remember that you can appeal the denial, termination, or change of your government benefits. Protect your rights!

Social Security Benefits

Social Security benefits are due to all people who meet eligibility requirements, regardless of income. You can check on the accuracy of your benefits by contacting the Social Security Administration and asking for a free personalized benefits estimate. Call 1-800-937-2000 (or your local Social Security office) for a form. Compare the estimate to the W-2 forms your employers filed each year to report your pay to the Internal Revenue Service. Since the IRS doesn't keep W-2 forms and your employer is only required to keep them for four years, you should keep copies of your W-2 forms so you can provide evidence of your earnings if a mistake in your benefit estimate has been made.

Private Pensions

Contact your former employer and request a record of your earnings and pension benefits to assure accuracy. The law requires that this information be made available to you.

Supplemental Security Income (SSI)
Supplemental Security Income is a program which provides a monthly cash payment to persons who are over 65, blind or disabled and who are living at or below the government-established poverty level. Check with your local Social Security Office to determine if you are eligible for SSI.

In many states, individuals found eligible for SSI may also be eligible for Medicaid benefits covering the cost of health care. The health care coverage by Medicaid may be a much more valuable benefit than the minimal income paid by SSI. Therefore, even if you believe the cash benefit you would receive from SSI would be small, it is well worth finding out if you are eligible for SSI and Medicaid.

Food Stamp and Low Income Energy Assistance
These government-sponsored programs provide food and heating fuel assistance to low-income persons. Your local public assistance or social services office can help you determine whether you are eligible.

[illegible]siderations

How you manage your assets now as you anticipate possible periods of disability may affect or be affected by your tax status. You will want to look at all appropriate tax credits and deductions as a way to maximize your resources.

Do you need to file at all? Many older taxpayers have no federal income tax obligations. If you are uncertain, information is available from your local IRS office or from AARP's Tax-Aide Program.

Tax Deductions for Dependents
The cost of caring for someone can be staggering. Can you deduct as a dependent someone for whom you are providing care? There are five tests for determining whether someone is your dependent for tax purposes: their income; the amount of support you provide; their marital status (your dependent can't already be married and claimed as someone else's dependent); citizenship (your dependent must be a U.S. citizen); and relationship (your dependent must be related to you).

Tax Deductions for Medical Expenses
Under 1986 tax reform, only those medical and dental expenses exceeding 7.5% of your adjusted gross income can be deducted from your taxes. Included in this deduction are health insurance premiums (but not insurance claims for which you have been reimbursed).

Also included—to the extent that you were not already reimbursed by insurance—are these items:

- prescription medicines and drugs
- medical doctors, dentists and many other health practitioners
- medical examinations (x-rays and the like)
- nursing help that is prescribed by a doctor (but, if you pay for someone to do both nursing and housework, you can only deduct the cost of the nursing help)
- hospital care
- medical aids such as hearing aid batteries, contact lenses, etc., and the cost of maintaining them
- lodging expenses (but not meals) while away from home to receive medical care in a hospital or medical facility
- ambulance service and mileage for your own transportation to get to the medical care.

Your Home

People over 55 years of age are eligible for a once-in-a-lifetime $125,000 exemption from taxes on the money they make on a home sale, subject to some basic rules on home ownership and residence in the home.

Numerous other tax deductions are available to homeowners; check these out in detail before you file and when you decide to undertake home improvements or if you decide to rent your home to someone else.

Estate Taxes

Through trusts and other planning, you can limit your estate tax liability.

Widows/Widowers

A widow or widower may be eligible for special tax treatment. A newly widowed person may be able to file a joint return for the year in which the partner dies, and special tax treatment may be given to the survivor when the couple's home is sold.

Borrowing Money

Older adults use credit less frequently than younger people do, but when they need it, the occasion is often a serious one. During a long illness, being able to borrow may be essential to staying solvent. When a husband dies, for example, the widow may need quick access to money while the legalities of probate are sorted out. More companies than ever require a credit card for check-cashing privileges or hotel stays.

Every adult should establish a credit history in order to have credit when it is needed. If you are married, each of you should have your own credit so that credit will be available to either of you should the other die or become ill.

Exercise caution when using your available credit. Debt can be stressful and even ruinous if not handled prudently. Consider your tolerance for debt and your ability to repay the credit you may borrow.

The following types of credit may be available to you:

Credit cards are the most widely used form of credit. They allow you to buy something without paying cash immediately. Be sure that either spouse can use the credit card in an emergency. Your two alternatives are:

1. If the account is in the husband's name but the cards are in both names, both can use the cards, but the credit history is the husband's, and he alone is responsible for the debt.

2. If the account is in both names, both have credit (and a credit history), and both are fully liable for the debt.

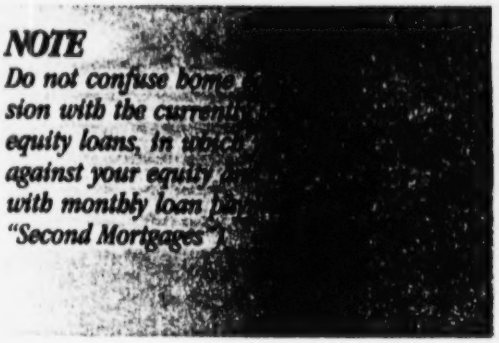
Consumer loans are made by banks or loan companies to help you pay for large purchases like cars or home improvements.

Second mortgages, also called ***home equity loans***, allow you to borrow against the equity you have in your home. If you use a home equity loan or second mortgage to pay for medical expenses, the interest on the loan is tax deductible. Before you take the home equity loan, be sure to consider the possible consequences of using the money you have invested in your house for cash. Will you be able to manage the monthly payments? If you miss a payment, can the bank take your house away?

Home Equity Conversion (HEC) plans allow you to turn the value of your home into cash without having to move out or repay a loan each month. Home Equity Conversion plans gradually use up your home equity by making cash payments to you. These may be lump sums for specific purposes or regular monthly payments to increase your income. The more equity you have in your home, the more you can convert into cash. However, the more equity you turn into cash now, the less you and your heirs will have later. There also is a risk that you could use up all the equity in your home and have to sell your home and move.

There are various types of HEC plans that differ from each other in important ways. You can find out about these differences and about the availability of HEC plans from your bank or savings institution, the state housing finance agency, your local tax collection agency, or a mortgage company.

Borrowing from friends and family is often a quick and easy way to obtain cash. But be careful. Treat this like a regular business transaction.



If you are having trouble with debt, contact the National Foundation for Consumer Credit, 8701 Georgia Avenue, Suite 601, Silver Spring, Maryland 20910 for the location of the consumer credit counseling service nearest you.

MANAGING THE COST OF MEDICAL CARE

Older adults face a variety of risks and problems in providing for their health, and in paying the cost of medical care. There are many ways to meet the cost of care, and advance planning is the best way to assure that you will be able to pay for the care when you need it.

There are two distinct types of medical care that you may have to deal with: acute care and long-term care. Acute care refers to the costs associated with treatment for illness or injury in hospitals or by doctors on an outpatient basis. Long-term care refers to care provided at home, in an extended care facility, or in a nursing home. Although both types of care can be described as medical care, each is paid for by very different benefits and programs.

Acute Care

Your hospital bills and most of the doctor bills incurred when you are in a hospital (or to treat a specific condition) may be paid for by Medicare, by private Medicare Supplement Insurance (popularly called "Medigap"), or other private insurance, or it may be provided directly by a health maintenance organization (HMO).

Medicare

This is the federal health insurance companion program to the Social Security system. For further information on Medicare eligibility and benefits, contact your state or local Social Security office.

Medigap Insurance

For people covered by Medicare, "Medigap" policies fill some of the gap between the actual cost of medical care and the amount Medicare will pay. These Medicare Supplement Insurance policies are designed to complement your Medicare coverage and must be bought through a private insurance company.

Other Private Insurance

This includes any other health insurance you may hold—including any employer-sponsored or retirement plan health insurance—in addition to or before you are eligible for Medicare.

Health Maintenance Organizations

HMOs combine actual health care services with insurance. You pay a flat, regular membership charge and get most health needs taken care of with little or no additional cost.

Important considerations in planning for the cost of acute care include:

- Will your Medigap policy cover all or most of Medicare's deductibles and co-payments?
- Will it cover any services not covered by Medicare?
- Carefully review the benefits promised by policies that cover single diseases such as cancer, heart disease, etc.
- If you consider changing coverage, look for the pre-existing condition exclusions or waiting periods in the new policy which may reduce or delay your coverage.
- Examine the renewal rights which allow the insurance company to cancel your coverage.
- Do your doctors accept Medicare assignment? If they do, you will usually save money because they will not charge more than Medicare allows.
- Check the "coordination of benefits" provisions in your policy. If you have more than one Medigap policy, your coverage may be duplicative. One policy may refuse to pay claims that are covered by other policies you hold.
- When purchasing health insurance be careful that you do not buy more coverage than you need. Determine what risks you seek to insure yourself against. Buy the coverage you need to appropriately cover those risks. The "catastrophic insurance" revisions to Medicare may change your insurance needs.

Long-Term Care

The cost of long-term care at home, in an extended care facility, or in a nursing home is rarely covered by acute care medical insurance or Medicare. Aside from private payments, there are two ways to pay for long-term care:

Medicaid

This government-funded Medical Assistance program pays the cost of medical care for people living at or below the government-established poverty level. It has stringent financial requirements, which vary from state to state, but once a person qualifies, most or all of the costs of long-term care are paid for.

Since Medicare and private health insurance coverage do not cover "custodial" (non-skilled) nursing home care or in-home care, many families have seen the high cost of this long-term care devastate their financial security. In many cases, the patient and his or her spouse must become impoverished in order to be eligible for Medicaid assistance. Due to the complexity of Medicaid law and regulations, as well as the lack of clear and accurate information about Medicaid eligibility, many families needlessly impoverish themselves in order for Medicaid to cover the cost of long-term care, or spend more than is required before they seek Medicaid eligibility for themselves, or a spouse or parent.

There are many rules that govern the treatment of the income and resources of Medicaid applicants. By planning in advance, these rules can be used to economically protect the patient as well as a spouse who remains in the community. To avoid losing valuable assets to the cost of long-term care, learn about your rights and options well before Medicaid is a necessity. In many communities the local Area Agency on Aging or organizations such as AARP, the Alzheimer's Association and others sponsor informative programs about Medicare, Medicaid and the cost of long-term care. Individual advice may be sought from attorneys knowledgeable about Medicaid and long-term care, including a growing number of private attorneys who handle the legal problems of the elderly and the many legal services attorneys working in Legal Aid offices throughout the country.

Applications for Medicaid eligibility are handled by different agencies in different states. Check with your local Social Security office or the Department of Social Services in your area to determine where to file an application for Medicaid benefits.

Long-Term Care Insurance

Since neither Medicare nor Medigap policies cover the cost of long-term care in a nursing home, other sources for financing this care are necessary. One option is to purchase insurance that covers the cost of nursing home or other long-term care. The average nursing home stay can cost $20,000 to $48,000 a year, depending on the required level of care. The cost is devastating to the financial security of many families. Many people have the ability to privately insure themselves against some of the cost of this care.

Long-term care insurance is relatively new to the marketplace. There is no "financial" test, except to be able to pay premiums, but there are requirements and limitations on the benefits you receive. Listed below are the types of provisions you should be aware of and ask about before buying this type of insurance.

- Does the policy cover care in any licensed care facility?
- What are the policy's time or dollar limits?
- How does the policy exclude coverage for "pre-existing conditions"?
- Does the policy provide coverage for Alzheimer's Disease or other "psychiatric" conditions? Is a "clinical" diagnosis (e.g., of Alzheimer's Disease) required?
- Is the policy renewable?
- What is the annual premium for the policy? How does that compare with the cost of other long-term care policies?

NOTE

The premiums for t
widely, so you shoul
icy without compar
one or two comparab
able in your area. If
not give you time to
son, that is probably b
uct is too expensive
up to a comparison.

APPOINTING PEOPLE TO ACT IN YOUR BEHALF

As important as knowing how to manage your assets is the question of who will manage your care and resources if you become incapacitated or disabled and cannot make decisions or manage your affairs for yourself. If you plan ahead for such possibilities, you can make the choices about who will act in your behalf and you can explicitly state how you want them to manage your care and resources.

To deal with the legal and financial issues related to your future, you will want to work with an attorney who is knowledgeable about advance planning and the legal concerns of the elderly. There is a small but growing number of attorneys who devote their practice to "Elder Law" concerns. You also may find attorneys in more traditional general practices who are knowledgeable about these issues and who can advise you on the type of arrangements which are best for your situation.

There are a variety of alternate decision-making tools from which to choose. Selecting the best one for you will depend upon the specifics of your situation. The alternate decision-making authority you grant or which may be imposed if you fail to delegate authority before becoming incapacitated may be narrow and limited to very specific situations or it may be broad, delegating to another the authority to make for you almost every decision you could make for yourself.

The following are some of the alternate decision-making options that you can choose or that could be imposed to make decisions on your behalf:

Legal Arrangements You Initiate

Durable Power of Attorney

A "Durable Power of Attorney" gives a person who you name the power to act as your agent. Because a general power of attorney is revoked if the maker becomes incompetent, state legislation now permits a power of attorney to be designated as "durable." That is, the power created will not be affected by the incapacity of the person writing the document. This feature—which must be stated in the document—is essential in planning for surrogate decision-making during incapacity.

The durable power of attorney can be limited to certain specific responsibilities or it can cover large general areas of decision-making regarding your financial affairs.

Work with your attorney to make it as precise but flexible as you need. For example, in some states you can create a "springing" power of attorney, which springs into effect only when incompetency is declared or some other trigger (which you determine) is activated.

Remember, you do not give up your decision-making power when you sign a power of attorney. You have simply named a deputy who also has the authority to act on your behalf under certain specified circumstances.

Revocable Living Trust

A revocable living trust allows you to transfer ownership of your property to a separate entity called a trust which is managed according to rules you establish in the trust document for the benefit of the beneficiaries named in the trust. The trust is managed by a trustee whom you place in charge. You may choose another person to act as a trustee, or you can act as trustee yourself and name someone else to take over if you become incapacitated. A revocable trust allows you to change the terms of the trust in case you change your mind. A Power of Attorney becomes void on your death, but a trust need not, and thus can provide you with an alternative to passing property through your will.

Irrevocable Living Trust

Irrevocable living trusts are similar to revocable living trusts, except that you cannot revoke (that is, change or end) the trust after you have established it. In addition to having the same benefits as a revocable trust, an irrevocable trust also may provide savings on estate taxes, and may prevent the loss of government benefits for a loved one.

Joint Ownership

People use joint ownership of property for many purposes. Joint ownership can have positive or negative effects on access to jointly-owned property. Your decisions should be based on your trust in the person with whom you hold joint ownership and your needs and intentions with regard to your property.

Joint bank accounts titled with an "or" (John Jones *or* Sarah Jones) provide easy access to bank funds for payment of bills for an incapacitated person, but, for the same reason, are open to abuse and squandering of funds. Be sure you trust the joint owner. With an "or" account (which can act like a will), if one owner dies, the property becomes the sole property of the surviving owner.

A second alternative for joint accounts is one titled with "and" (i.e., John Jones *and* Sarah Jones). These accounts require the signatures of both owners to withdraw funds or sell or transfer the asset. This type of ownership offers more protection from mismanagement, but also limits the accessibility of funds for paying the costs of care for a co-owner who becomes incapacitated.

Joint Tenancy with Right of Survivorship (often used in property ownership) can act like a will to avoid probate, but it will not necessarily help avoid estate taxes.

NOTE

Trusts are formal sophisti... ning devices which require... ance of an attorney... edgeable in the field. D... formality of most trusts... avoid this planning inst... can meet certain goals a... significant benefits whic... the professional assistance... quire.

NOTE

Joint ownership can have... stantial effect on Medica... depending on the nature... and other factors. For... may need long-term... care, you should not... joint ownership without... effects with someone who... larly knowledgeable about... sistance program regulations.

42

Important considerations when selecting someone to act on your behalf:

- The person you select to represent you in any of these arrangements is crucial. Appoint someone you trust; someone who knows your needs and preferences and will act in your best interest. All of these arrangements are subject to abuse if you select the wrong person to be your agent. Clear communication of your preferences—both in conversation and in writing—is essential to reduce the risk of exploitation.
- How much power are you willing to give up? How much power will you need to give up? Your choice of these tools will greatly affect the breadth of your representative's control over you.
- How soon do you want to give up your decision-making powers? When you appear not to be capable of managing your affairs? When you are declared legally incompetent?

Arrangements That Could Be Initiated By Others

If someone who has not done advance planning becomes incapacitated, it may become necessary for others to step in to manage the person's affairs. The legal steps described here are some of the ways in which the government and the courts may manage the affairs of people who have not designated alternative decision makers.

Representative Payee

Under these programs, which are administered by federal agencies, a representative payee is designated by the federal agency to receive government benefits on behalf of a person who is determined by the agency to be incapable of managing the benefit. Social Security, Civil Service Retirement, and Veterans Benefits can be paid to a "rep payee" who manages these funds, but who has no decision-making authority over your other affairs. A "rep payee" can be appointed over your objection. This action is usually initiated by someone who feels you are no longer able to manage your affairs.

Guardianship

All of the programs and legal procedures described earlier in this section are designed as alternatives to guardianship. They limit the power of the substitute decision maker and require them to make choices based on your preferences. Unless you designate an alternate decision maker through one of these options, a guardian may have to be appointed to make decisions for you in the event you become incapacitated. Guardianship is an expensive and time consuming legal process that strips you of most, if not all, of your rights. A guardian is appointed by the court to make decisions for you. This could be a person you may (or may not) know and you might not want to make choices for you.

Conservatorship

Conservatorship (also called limited guardianship) is a form of guardianship used to manage property. The conservator is appointed by the court and can be given specific or wide-ranging powers. For example, power can be limited to check-cashing privileges, or it can include authority to sell property. Conservatorship can be used for people who can no longer manage their own affairs, but who have not necessarily been declared legally incompetent.

PLANNING TO PROTECT YOUR SURVIVORS

As a society, we experience death in emotional and spiritual terms. Unfortunately, during the stressful time that follows the death of a loved one, many "consumer" decisions must be made about funerals, possessions, insurance, etc. Planning ahead for such decisions can help to avoid family conflict and the possibility of unnecessary financial loss due to unwise decisions or outright fraud.

Funeral Planning

A funeral is the third largest purchase most people make in a lifetime (the average cost is $2,500). However, there are lower cost alternatives available. Many people choose cremation, and still other people look for other ways to have a dignified service without paying too much. But most people who must arrange for a funeral put themselves in the hands of a funeral director without considering costs. A little preplanning can save you and your survivors thousands of dollars.

Although it is advisable to pre-plan your funeral, it is *not* necessarily good to pre-pay your funeral. A number of consumer problems exist with pre-payment. For example, if you move before you die and you have pre-paid your funeral with a local funeral home, what happens to the money? What happens if the funeral home goes bankrupt?

You also can help your survivors by leaving information for your own obituary, to ensure its accuracy when they have to write it during the stressful time before and after your death.

Wills

About 25% of all people over the age of 50 do not have a will. Why do you need a will? Financial columnist Jane Bryant Quinn puts it succinctly:

> *"You own stuff.*
> *You will die.*
> *Someone will get your stuff."*

If *you* want to determine who gets your "stuff" you must have a will. This is true no matter how much or how little money or property you have. Dying without a will—officially called "intestate"—can create legal headaches and possible conflicts for your survivors. If you do not have a will the court may determine who gets your possessions.

Both husbands and wives need their own wills. You should review your will every three to five years, or when there is a major change in your circumstances (such as divorce, the death of one of your beneficiaries or a move to another state).

Trusts

Various kinds of trusts, including testamentary trusts (established in your will) or living trusts (established during your lifetime), can be used to protect your estate at your death.

Trusts and other estate planning strategies can help you avoid probate, which is the court process of validating your will and supervising the administration of your estate. If probate can be avoided with adequate consumer protections, it will help you save the cost of estate administration and the time it takes a court to complete its work.

Trusts also may be appropriate to fund the care of incapacitated family members who would be unable to execute a Durable Power of Attorney or manage their own affairs should you, the caregiver, die.

Important considerations about disposition of your assets include:

- What is fair for your heirs? Who do you want to have your property?
- Does your will clearly communicate your wishes to avoid misunderstanding?
- What arrangements will best minimize delay and expense after your death?
- To what extent do you need to take care of your dependents?
- Have you selected an executor you trust; one who is capable of handling the settlement of your estate?
- Do you update your plans periodically or when your circumstances change?

Life Insurance

Life insurance is generally purchased to provide a benefit after your death for people who rely on you for financial support. As your dependents become self-supporting and you become financially responsible for only yourself, your life insurance needs decrease. At some point you may not need life insurance at all, although many older people retain a small life insurance policy to cover the cost of funeral expenses.

"Whole Life" or "Universal Life" are two types of policies which build a cash value during the life of the insured. Although these policies provide a form of forced savings, the policies may not be competitive with other types of investments. Evaluate your purpose in purchasing insurance and then purchase the policy that best accomplishes your purpose. Compare cash value policies with other forms of investments before purchasing a life insurance policy as an investment.

If you need money for current expenses you can consider surrendering whole life policies for cash or borrowing against your policy.

Be very cautious if you decide to convert or change life insurance policies. New policies usually have high up-front costs and often require current evidence of insurability (e.g., health status) that older people may not be able to provide. You might not be able to purchase a new policy at any cost.

You should review your life insurance policies every year, and be sure your family members know where you keep the policies. Leave them in a safe place, but do not leave them in your safe deposit box. The box may be sealed at your death, causing confusion and delay.

PEOPLE TO TALK TO

AARP Tax-Aide

The Tax-Aide program is a free, nationwide service offered by AARP between February and April 15 each year to low and moderate income taxpayers. As part of the program, over 25,000 volunteers are trained in cooperation with the Internal Revenue Service, to counsel older people about their income taxes. These counselors are specifically trained to deal with tax problems encountered by retirees—Social Security benefits, sale of the family home, and credit for the elderly or disabled. The counselors can also help with state and local tax rebate relief forms that enable low-income older persons to receive any refunds due to them. The volunteers generally do not assist with complicated forms such as farm or business returns.

Tax-Aide counseling is offered at some 10,000 sites around the country, and in 20 different languages. In addition, special arrangements can be made to provide tax counseling to the homebound and the disabled. For the location of the counseling site nearest you, telephone the Internal Revenue Service's information number (listed under "U.S. Government" in your telephone directory) or write to the IRS office nearest you.

Tax Planners

You may find a good one by word-of-mouth references. A good tax planner will cost you $45 to $95 an hour.

Financial Planners

If you seek the help of a financial planner, distinguish between the planners who sell financial products (such as investments) and the planners who only provide planning services. Planners who earn commissions by selling investments may steer you towards investments that you may not need. Planners who do not sell investment products generally charge you a fee for developing a financial plan based on your personal goals and your financial circumstances.

Attorneys

You should work with an attorney who is knowledgeable about "elder law" issues to do your planning. If cost is a problem, you can develop your own plan and then have a lawyer review it to ensure that what you have written accurately and legally states and will actually accomplish your desires. The benefit of such legal expertise is usually well worth the expense in the long run.

Contact your state or local Bar Association Lawyer Referral Program for help in locating a private attorney. Another option, Legal Services programs, may be known as the "Legal Aid" office in your community. Or you may contact:

National Academy of Elder Law Attorneys, Inc.
135 S.W. Ash Street
Suite 500
Portland, Oregon 97204

RESOURCES*

Free AARP publications

- ☐ How to Spot a Con Artist (D394)
- ☐ What To Do If You Have Been Denied Credit (D13285)
- ☐ Homemade Money: A Consumer's Guide to Home Equity Conversion (D12894)
- ☐ Guide to Medicare and Health Insurance for Older Persons (LC38)
- ☐ Choosing an HMO (D12444)
- ☐ A Buyer's Guide to Long Term Care Insurance (D12893)
- ☐ Insurance Checklist (D1032)
- ☐ Prepaying Your Funeral (D12639)
- ☐ A Guide To Cemetery Goods and Services (D13162)
- ☐ Women's Financial Management Primer (D13183)
- ☐ Guide to Probate (D13822)
- ☐ Money Matters (D12380)
- ☐ Are My Social Security Benefits Taxable? (D13539)
- ☐ Relocation Tax Guide (D13400)
- ☐ Tax Facts for Tax-Free and Tax-Deferred Investments (D13812)

*To order AARP publications, please see page 61.

From AARP Books

- ☐ It's Your Choice: A Consumer's Guide to Planning a Funeral (804)
- ☐ The Essential Guide to Wills, Estates, Trusts and Death Taxes (805)
- ☐ Policy Wise: The Practical Guide to Insurance Decisions for Older Consumers (803)

Other Resources

- ☐ IRS Publication #554, Tax Information for Older Americans
- ☐ IRS publication #527, Rental Property

"Mom called this morning, all upset. Dad had a stroke last night. The doctors don't know how long he'll live, but they say he'll be in a coma the rest of his life. Mom says the doctors want her to decide whether to keep him on life support. They've asked if she wants a "Do not Resuscitate" order. Mom doesn't know what to do. She doesn't know what insurance they have, or whether they can afford a nursing home. She doesn't know exactly what "Do Not Resuscitate" means. Dad always told her not to worry about the future, that he'd taken care of everything for them. But now she can't ask him what plans he made . . . or what he would want her to do."

Tremendous advances in medicine and technology have made it possible to extend the lives of both young and old beyond the point where many are capable of making decisions or expressing their needs and desires.

Competent adult patients have the right to make their own decisions concerning health treatments, even if those decisions are not the ones their doctors would make, and even if their decisions seem unwise or foolish to others. Technically, you need not be competent to make financial or other decisions in order to make medical decisions, so long as you understand the essence of the medical decision and the choice that you face. But, as a practical matter, a person whose competence has declined in major areas will likely have a difficult time having medical treatment decisions honored without having done appropriate advance planning.

A few states have laws that give specific family members varying degrees of authority to make health care decisions on behalf of incapacitated family members. In states that have no family consent law, health care facilities and physicians may either choose to rely on family consent or petition a court for appointment of a guardian or legal authorization for the treatment.

While most of us feel it is very important for someone to know how we feel about the use of "machines" to keep us alive, very few of us do anything about it. Usually, it is not enough that your spouse or close friend "knows how you feel," or to assume that your children "will know what to do" if you become incapacitated and cannot make health care choices for yourself. The only way to ensure that your values and wishes are considered when decisions must be made on your behalf is to use legal documents (called "advance directives") to state *in writing in advance* your preference about how choices for health care are to be made for you in specific circumstances. If you designate someone to make those decisions for you, it will ensure that those choices are made by a person you trust rather than by someone chosen by a court. In addition, advance directives may save your family from confusion or disagreements over what they think you would prefer and can lift the burden of making difficult choices from family members and physicians.

Physical or mental incapacity can happen at any time and any age. It is not just a problem for older people. Advance directives protect you, your loved ones, and your health care providers when difficult decisions must be made on your behalf. It is critical that you consider your values, beliefs, and personal preferences about health care treatment in the event that you become incapacitated.

HEALTH CARE OPTIONS

There are as many different treatment decisions as there are illnesses. Those listed here are some of the most difficult to make and require thoughtful personal and ethical consideration. Remember, if you are competent you can make these decisions for yourself, but if you are incapacitated, others will have to make these choices for you.

Agreeing to Treatment for Illness

Decisions about treatment for an illness usually must be made after considering the immediate situation and the potential for recovery. People who must make decisions for mentally or physically incapacitated patients are often faced with choices in which they must weigh the benefit of a treatment (such as cataract surgery or amputation) against the additional burden of suffering to the patient. In addition, the emotional and financial cost of such life sustaining treatments as renal dialysis (in the case of kidney failure) or experimental and often expensive medications, must be weighed by the decision-maker against the quality of life benefits they provide the patient. While you are competent, consider and communicate your feelings about such treatments in various situations.

Resuscitation

Medical professionals work to save lives, and some people believe that every attempt should be made to revive a patient whose heart or breathing has stopped. However, there are times when attempts to restore the heartbeat or breathing of a severely ill or incapacitated person with no hope of recovery may seem like an unnecessary burden of suffering. As a patient, you (or the person designated to make decisions for you if you are incapacitated) can decide to have the physician or health care facility post a standing "Do Not Resuscitate (DNR)" order in your medical chart so that no attempts will be made to restore your heartbeat or breathing if they stop naturally.

NOTE

Although withholding life support systems at the outset and withdrawing treatment after it is begun are technically the same, legally and psychologically they may be perceived very differently by family and physicians. Withdrawing treatment after it starts may be much more difficult to actually accomplish.

Life Support Systems

Technological advances make it possible to sustain life by machines such as respirators which breathe for a patient. Most people who reject the idea of using life-prolonging technology when there is no hope for recovery do so because they don't want to be a "living vegetable." The feelings of individuals about the use of life-prolonging treatment usually revolve around their view of "the quality of life." This is an extremely personal choice, but one that should be carefully explored and communicated. Patients removed from life support continue to be kept clean, comfortable, and free from pain.

Nutrition and Hydration

For a patient who can not eat independently, life can also be sustained by artificial food and water given intravenously or by inserting a tube through the nose or stomach. Legally, artificial nourishment (like any other form of medical treatment) may be withheld or withdrawn at the patient's request if the burdens it imposes on the patient outweigh the benefits it provides. Such treatment can be withheld without pain, and other comfort care for the patient is continued. Withholding nourishment is a socially controversial treatment decision because food and drink have important meaning in our life. Some people see it as "starving" the patient. Others believe food and hydration only prolong dying. It is increasingly important for people to think about and communicate how they feel about this issue.

Hospice Care

Hospice is a special kind of care for terminally ill people and their families. It does not focus on recovery through medical treatment, but instead helps people cope with the physical and emotional pain of dying from a clearly terminal illness. Hospice care may be given at home or in a hospice facility, and may be provided by or supplemented by trained volunteers. Insurance coverage for hospice care varies. Medicare will provide benefits to patients who are diagnosed as being terminally ill, but patients receiving hospice benefits waive their regular Medicare coverage while they are under hospice care.

When selecting health care options, consider these issues:

- Should decisions about your health care be made on the basis of the "quality of life" you would have if you become incapacitated, or would you want to be kept alive by any means and whatever your condition?
- What are your religious beliefs about life and death and how do they affect your preferences about health care choices?
- Do you know someone who has been kept alive with life support systems? How would you have wanted the situation handled if it were you?
- Does your doctor share your feelings about health care treatments? Would your doctor be willing and able to carry out your wishes?
- Who do you most trust to make these decisions for you? Do they share your feelings about health treatment? Could they carry out your choices?

NOTE

When a patient's treatment preference conflicts with a physician's personal beliefs, the physician is not obligated to comply. However, it is generally expected that the patient will be transferred to another physician with values similar to the patient's. Since transferring a patient to a different physician at that time may be difficult to accomplish, it is advisable to determine in advance if your physician is willing to follow your requests should the situation arise.

PEOPLE TO TALK TO

If you are not used to talking about such things, it may be difficult to discuss your values and preferences with others. Talking to those you trust is essential to assuring that your wishes are considered when family, care-givers or judges must make decisions for you.

Your Spouse, Family, or Friend

It is unfair to expect that your loved ones will know what you want when a decision must be made. They may, in good faith, disagree about what choices should be made. If you are alone, talk with a trusted friend or advisor who you might want to designate to make choices for you.

Medical Personnel

Medical professionals face difficult ethical and liability problems when making these decisions for their patients. They need to know your wishes in advance and must have them in writing.

Lawyers

Legal advice may not be necessary to help you understand the implications of basic advance directives or to prepare form documents which are available from a variety of sources. However, you would be well advised to consult an attorney to determine if your wishes can be carried out under the law of your state and if the document you intend to sign states your wishes accurately, and is legally correct under the laws of your state.

Clergy

For many people, a clergyperson can help you think through your own beliefs and wishes.

Two legally-recognized documents can help to ensure that your wishes will be honored and can protect family members and health care professionals from the stress and potential conflict of making decisions on your behalf.

Living Wills (or "declarations"

Living wills generally state that life-prolonging treatments may be withheld or withdrawn from a patient who is certified to be terminally ill or if death is imminent; and that the process of dying should not be prolonged, but care necessary to maintain comfort and dignity should be provided. The legal basis for a living will is created by a state's Natural Death Act. As of July 1990, living wills were recognized in 40 states and the District of Columbia. Requirements for forms, witnesses, notarizing, and filing may be quite different in different states, but a living will is generally recognized as evidence of a patient's wishes in states other than the one in which it was written unless there is conflict among family members.

Although a living will is a valuable document if it represents your beliefs and wishes, it may have serious limitations. Living wills may not be operable in many situations of incapacity since they usually apply only to patients who are terminally ill and not to people who have Alzheimer's Disease, strokes, degenerative disorders or who are in a coma or persistent vegetative state. In addition, many living wills do not allow medical personnel to withhold food and water.

You should inform your family and/or a trusted friend if you have prepared a living will, and advise them where it is located. While laws usually require you to notify your physician to include a living will in your medical records, you can always revoke the document by making an oral request.

Living will forms for specific states can be obtained from your state medical society or from Concern for Dying (see the "Resources" section at the end of this chapter).

Durable Power of Attorney For

Although traditionally used for commercial transactions and transfers of property, powers of attorney are gaining acceptance as a way to appoint other people to make health care decisions for us. Because a general power of attorney is revoked when the maker becomes incompetent, state legislation now permits a power of attorney to be designated as "durable"—that is, the power created will not be affected by the incapacity of the person writing the document. This feature, which must be stated in the document, is essential if you wish to plan for surrogate decision-making should you become disabled.

Durable powers of attorney may be either broad (delegating the power to act in a number of areas, both financial and personal) or they may be very specific (i.e., limited to health care decisions). More importantly, they are more flexible than living wills, since they permit you (rather than a court) to decide who should make decisions on your behalf for all forms of health care (not just life-prolonging treatment) and in all forms of incapacity (not just terminal illness). Although state requirements for health care decision-making may differ, durable powers of attorney are recognized in all states and can be given to any person you trust to make decisions for you.

An increasing number of states are supporting a separate Health Care Power of Attorney document which is a variation of the Durable Power of Attorney specifically designed for health care decision-making.

Since health care decisions are highly personal, a distinct advantage of the durable power of attorney is that it can be used to specify your treatment preferences in specific situations (for example, you may want to forego respirators but continue nourishment) and it can be used by individuals who want life-prolonging treatments *continued* as well as by those who prefer to forego such treatment.

Those who have been appointed as decision makers should discuss with the individual as many aspects of health care as may need attention, including their preferences regarding resuscitation and nutrition and hydration. Those who have not been named as agents should understand that decision-making authority has been delegated to particular individuals, as well as the practical implications of this delegation decision.

Durable Power of Attorney for Health Care forms for specific states can be obtained from your lawyer or Concern for Dying.

RESOURCES

Concern for Dying
250 West 57th Street
New York, NY 10107
(212) 246-6962

Society for the Right to Die
250 West 57th Street
New York, NY 10107
(212) 246-6973

American Bar Association
Commission on Legal Problems of the Elderly
1800 M Street, N.W.
Washington, DC 20036
(202) 331-2297

Legal Counsel for the Elderly
1331 H Street, N.W.
Washington, DC 20005
(202) 234-0970

State Long-Term Care Ombudsman
(Contact through your state or Area
Agency on Aging)

National Hospice Organization
1901 N. Fort Myer Drive
Arlington, VA 22209
(703) 243-5900

SAFEGUARDING YOUR FUTURE

Planning for possible disability or incapacity involves making some major and often difficult financial, legal, and ethical decisions. However, there are many smaller and easier actions that can be incorporated into your daily life to help ensure your future happiness and security.

Dependence on others, which comes with disability or incapacity if it occurs, brings with it the possibility of exploitation and mistreatment. Making the activities suggested in this section a part of your planning process will limit your vulnerability as you grow older and can help you avoid the risk of financial, physical, or emotional abuse.

Caregiving situations may be particularly prone to strain and tension. Without sufficient planning, the emotional and financial stress of caring for a disabled or incapacitated relative may erupt in unintended family conflict and mistreatment or abuse of the loved one.

For Individuals

- Stay sociable as you age; maintain and increase your network of friends and acquaintances, especially if you move.
- Develop a "buddy system" with a friend outside the home. Plan for at least a weekly contact and share openly with this person.
- Have your own telephone; post and open your own mail. If your mail is being intercepted, discuss the problem with postal authorities.
- Take care of your personal needs. Keep regular medical, dental, barber, hairdresser, and other personal appointments.
- Arrange to have your Social Security or pension check deposited directly to your bank account.
- Get legal advice about arrangements you can make now for possible future disability, including powers-of-attorney, trusts, or joint ownership.
- Keep records, accounts, and property available for examination by someone you trust, as well as by the person you or the court has designated to manage your affairs.
- Give up control of your property or assets only when you decide you cannot manage them.
- Ask for help when you need it. Discuss your plans with your attorney, physician, or family members.
- Don't accept personal care in return for transfer or assignments of your property or assets unless a lawyer, advocate, or another trusted person who represents you acts as a witness to the transaction.
- Don't sign a document unless someone you trust has reviewed it.
- Don't allow anyone else to keep details of your finances or property management from you.

For Families

- Discuss with an older relative their wishes regarding health care alternatives, home care in the case of incapacity and disposition of their personal assets.
- Find sources of help and use them. Chore services, housekeeping, home-delivered meals, senior recreation, day care, respite care, and transportation assistance are available in many communities.
- With the older person's consent, become familiar with his/her financial records, bank accounts, will, safe deposit boxes, insurance, debts, and sources of income in the event he/she becomes incapacitated. Talk and plan together now about how these affairs should be handled.
- Don't offer personal home care unless you thoroughly understand and can meet the responsibilities and costs involved.
- Don't wait until a frail older person has moved in with you to examine his/her needs. You'll need to consider access, safety, containment, and special needs. (Do you need a first-floor bathroom, bedroom, or entry ramp? Will carpets or stairs become barriers? Do you need a fenced yard to prevent your loved one from wandering away? Does your kitchen allow you to prepare special diets or store medications properly? Can you move the person safely in case of fire?)
- Don't assume that poor interpersonal relationships between you (or other members of the household) and the older person involved will disappear once you are living together.
- Anticipate potential incapacity by planning as a family who will take responsibility such as power-of-attorney or in-home caregiving if an aging relative becomes incapacitated.
- Closely examine your family's ability to provide long-term in-home care for a frail and increasingly dependent relative. Consider the family's physical limits.
- Plan how your own needs will be met when your responsibility for the dependent older relative increases.
- Don't expect irritating habits or problems such as alcohol abuse to stop or be controlled once the dependent moves into your home.
- Don't ignore your limitations and over-extend yourself. Passive neglect could result.
- ***DON'T LABEL YOUR EFFORTS A FAILURE IF HOME CARE IS NOT POSSIBLE AND YOU MUST SEEK AN ALTERNATIVE.***

RESOURCES*

Free AARP publications

☐ Domestic Mistreatment of the Elderly (D12810)

☐ Towards Prevention: Some DOs and DON'Ts (D12885)

*To order AARP publications, please see page 61.

WHERE TO BEGIN

"When I first talked with my daughter about making my plans, she said, "Oh, Mother!" But now I feel secure because she knows where everything is and what my decisions are, so she won't be confused if she has to carry them out. People seem to think it's depressing thinking about these things. It wasn't easy doing the soul searching needed to make some hard decisions. But now that I've completed my plans, I feel a great sense of accomplishment and comfort that I have things in order."

Making plans for living arrangements, financial management, and health care decisions, and appointing persons to act for you require careful consideration. But don't spend so much time thinking about your options that you delay taking any action. You can and should review and revise your plan periodically as your circumstances and desires change.

First, carefully think through your situation, try to project what could go wrong in the future, and consider the options available to you. Think through your values and how they will affect your choices. How much do you value independence, privacy, and the ability to pass on an inheritance? How much responsibility do you feel your children have to care for you? Where do you draw the line between sustaining life and postponing death? What is your definition of the "quality of life"?

Second, discuss your options with family, friends and medical, legal, and financial advisors. Planning for your future doesn't take place in a vacuum. Your needs and decisions will affect the people who are close to you, so it is usually best to involve these people throughout the process. Solicit their advice, see how they can help, and discuss any plans that involve them. Then be sure to share your final plans with them. Communication is essential to planning ahead, so that those people who will provide support will know your wishes if they should ever have to make decisions on your behalf.

Finally, take action sooner rather than later. Many actions can and should be taken now to help you prepare for a secure future, while other decisions will have to be made in the future in response to your situation as it unfolds. Much information can be gathered and many choices made and communicated now, while you are healthy and not under stress.

ACTIONS TO TAKE NOW

- Select and work with a lawyer who is experienced with advance planning issues to help you:

    1. Draw up a Health Care Power of Attorney appointing a representative to make health care decisions for you if you become incapacitated. Specify in it your health treatment preferences, especially regarding the use of life-prolonging technology.

    2. Sign a Living Will that represents your wishes regarding life support, if this document is available in your state.

    3. Draw up a Durable Power of Attorney and/or trust arrangement that states your wishes with regard to managing your assets if you become incapacitated and appoint a person to act as your agent in carrying out those wishes.

    4. Review your property ownership and decide on the appropriate types of ownership to protect the rights of others (spouse, family, etc.) who will need access to the property (bank account, home, automobile, etc.) if you should become disabled.

    5. Make a Will to state your wishes for the distribution of your property at death.

    6. Develop a plan to protect your assets, to the extent possible, from probate and estate taxes.

- Check your Social Security record to ensure its accuracy. Call 1-800-937-2000 for a personalized Social Security report form.
- Review your credit history. Married couples should make sure each partner has developed an individual credit history and that each has access to credit either through joint names on a credit card or separate credit card accounts.
- Review your health and life insurance coverage. Ensure that you have adequate, appropriate coverage, but not duplicative policies.
- Check your eligibility for Home Equity Conversion or a Reverse Mortgage and determine if it is an appropriate action for you to take now or in the future.

PLANS TO START MAKING NOW

- Explore the various possibilities for alternate living situations to determine which might be appealing and appropriate for you. Gather information about tax and zoning regulations. Determine if home modifications could be made now. Visit some retirement communities and other types of housing to find out what you do and don't like.
- Consider the implications of living with your children. Many assumptions are made about this option. Before a crisis occurs, think realistically and honestly about how such a living situation would affect your well-being as well as that of your child and your child's family.
- Gather information about all of the personal care services available in your community or the community where you might live in the future. Keep a file of this information so that assistance can be found quickly when necessary.
- Think about whether and under what circumstances you would choose hospice care rather than medical treatment.
- Plan your funeral now and let your loved ones know your wishes. Be careful about making a decision to prepay your funeral now.

TALKING TO YOUR LOVED ONES

There are many reasons why we don't talk about the future. Some people are afraid to bring up unpleasant subjects with family members. Others have unspoken agreements about issues they do or do not talk about. Sometimes children are afraid to approach parents with the need to plan. And sometimes parents want to plan and their children are afraid.

Each family has its own unique way of communicating with each other. Your family's way of communicating may impede your ability to plan, and you must decide how you and your family can break through your communication barriers to begin talking about these important issues.

Many people feel that when they grow old and need care, their spouse or children will know what to do. Parents make unspoken assumptions about their children's understanding of their beliefs and preferences and about the degree of responsibility children feel for caring for their parents. Children can make blind promises to care for parents which they may not be able to keep or which may be detrimental to their families. In situations where relationships are strained between parents and children, planning may be difficult to achieve. When decisions must be made in times of crisis, such broken relationships hold even more potential for family conflict and stress. Open communication is essential for avoiding these situations. Talking with family may not be easy, but it is usually in your best interest to involve your family in your planning.

Couples need to have the same frank discussions about planning. A widowed spouse may have a very hard time, both emotionally and financially, because both did not participate in the planning process.

Let your loved ones know that you want to plan for your future and that you want them to know your choices and decisions. Try calling a family meeting or arrange to bring together the people in your life who offer you support and on whom you depend when you have a problem. Suggest that you are concerned about what will happen to them if something happens to you. Such meetings are useful for seeking advice in thinking through your situation, for getting a "reality check" on decisions you are considering, or for "announcing" the plans you have made.

Once you begin to talk about planning, your family or friends may try to reassure you that they will take care of you. While this reassurance is natural and comforting, tell them that you appreciate their concerns and then focus on the tangible options you are considering. Your goal is to have an open discussion. Informed people can be much more supportive than those left in the dark.

No matter what your age or situation—whether you are married, single, widowed or divorced, planning is an important way to make your life more secure, to ensure that you have maximum control of your life and your future, and to give you and those you love peace of mind.

Cut Here

START GATHERING YOUR INFORMATION NOW!

For single copies of publications listed as Free AARP Publications, fill in the publication names and stock numbers on the lines below and mail to AARP Fulfillment.

Publication	Stock Number

AARP Books Catalogue

☐ Check here to receive ordering information for AARP Books listed in this publication.

MAIL TO: AARP Fulfillment, 1909 K Street, NW, Washington, DC 20049

YOUR NAME

YOUR ADDRESS

CITY STATE ZIP CODE

64

STATE AGENCIES ON AGING

ALABAMA

Oscar D. Tucker, Executive Director
COMMISSION ON AGING
Second Floor
136 Catoma Street
Montgomery, Alabama 36130
(205) 261-5743

ALASKA

Constance Sipe, Director
OLDER ALASKANS COMMISSION
Department of Administration
Pouch C-Mail Station 0209
Juneau, Alaska 99811-0209
(907) 465-3250

ARIZONA

Richard Littler, Director
AGING AND ADULT ADMINISTRATION
Department of Economic Security
1400 West Washington Street
Phoenix, Arizona 85007
(602) 255-4446

ARKANSAS

Herb Sanderson, Director
OFFICE OF AGING AND ADULT SERVICES
Arkansas Department of Human Services
P.O. Box 1437
Little Rock, Arkansas 72203
(501) 682-2441

CALIFORNIA

Alice Gonzales, Director
DEPARTMENT OF AGING
1600 K Street
Sacramento, California 95814
(916) 322-5290

COLORADO

Rita Barreras, Director
AGING AND ADULT SERVICE
Department of Social Services
1575 Sherman Street, 10th Floor
Denver, Colorado 80203-1714
(303) 294-5912

CONNECTICUT

Mary Ellen Klinck
Commissioner
DEPARTMENT ON AGING
175 Main Street
Hartford, Connecticut 06106
(203) 566-3238

DELAWARE

Eleanor Cain, Director
DIVISION ON AGING
Department of Health and Social Services
1901 North DuPont Highway
New Castle, Delaware 19720
(302) 421-6791

DISTRICT OF COLUMBIA

Veronica Pace, Executive Director
OFFICE ON AGING
1424 K Street NW
2nd Floor
Washington, DC 20005
(202) 724-5623

FLORIDA

Margaret Lynn Duggar, Director
PROGRAM OFFICE OF AGING AND ADULT SERVICES
Department of Health and Rehabilitation Services
1321 Winewood Boulevard
Tallahassee, Florida 32399
(904) 488-2650

GEORGIA

Fred McGinnis, Director
OFFICE OF AGING
878 Peachtree Street, N.E.
Room 632
Atlanta, Georgia 30309
(404) 894-5333

HAWAII

Jeanette Takamura, Director
EXECUTIVE OFFICE ON AGING
335 Merchant Street
Room 241
Honolulu, Hawaii 96813
(808) 548-2593

IDAHO

Charlene Martindale, Director
OFFICE ON AGING
Room 108—Statehouse
Boise, Idaho 83720
(208) 334-3833

ILLINOIS

Janet S. Otwell, Director
DEPARTMENT ON AGING
421 East Capitol Avenue
Springfield, Illinois 62701
(217) 785-2870

INDIANA

Myrna Hadig, Director
DEPARTMENT OF HUMAN SERVICES
PO Box 7083
Indianapolis, Indiana 46207-7083
(317) 232-7020

IOWA

Betty Grandquist, Executive Director
DEPARTMENT OF ELDER AFFAIRS
Suite 236, Jewett Building
914 Grand Avenue
Des Moines, Iowa 50319
(515) 281-5187

KANSAS

Esther A. Wolf, Secretary
DEPARTMENT ON AGING
Docking State Office Building, 122-S
915 SW Harrison
Topeka, Kansas 66612-1500
(913) 296-4986

KENTUCKY

Sue Tuttle, Director
DIVISION OF AGING SERVICES
Cabinet for Human Resources
CHR Building—6th Floor
275 East Main Street
Frankfort, Kentucky 40621
(502) 564-6930

LOUISIANA

Vickey Hunt, Director
OFFICE OF ELDERLY AFFAIRS
PO Box 80374
Baton Rouge, Louisiana 70898
(504) 925-1700

MAINE

Christine Gianopoulos
Director
BUREAU OF MAINE'S ELDERLY
Department of Human Services
State House—Station #11
Augusta, Maine 04333
(207) 289-2561

MARYLAND

Rosalie Abrams, Director
OFFICE ON AGING
State Office Building
301 West Preston Street, 10th Floor
Baltimore, Maryland 21201
(301) 225-1100

MASSACHUSETTS

Paul J. Lanzikos, Secretary
EXECUTIVE OFFICE OF ELDER AFFAIRS
38 Chauncy Street
Boston Massachusetts 02111
(617) 727-7750

MICHIGAN

Olivia Maynard, Director
OFFICE OF SERVICES TO THE AGING
PO Box 30026
Lansing, Michigan 48909
(517) 373-8230

MINNESOTA

Gerald Biodow, Executive Director
BOARD ON AGING
444 Lafayette Road
St. Paul, Minnesota 55155
(612) 296-2544

MISSISSIPPI

David K. Brown, Director
AGING & ADULT SERVICES
421 Pascagoula Street
Jackson, Mississippi 39201
(601) 949-2070

MISSOURI

Edwin Walker, Director
DIVISION ON AGING
Department of Social Services
PO Box 1337—2701 West Main St.
Jefferson City, Missouri 65102
(314) 751-3082

MONTANA

Robert Bartholomew, Director
Aging Services Bureau
DEPARTMENT OF FAMILY SERVICES
PO Box 8005
Helena, Montana 59604
(406) 444-5900

NEBRASKA

Betsy Palmer, Director
DEPARTMENT ON AGING
PO Box 95044
State Office Building
Lincoln, Nebraska 68509
(402) 471-2306

NEVADA

Suzanne Ernst, Executive Director
DIVISION FOR AGING SERVICES
Department of Human Resources
505 East King Street
Kinkead Building—Room 101
Carson City, Nevada 89710
(702) 885-4210

NEW HAMPSHIRE

Richard Chevrefils, Director
DIV. OF ELDERLY & ADULT SERVS.
6 Hazen Drive
Concord, New Hampshire
03301-6501
(603) 271-4680

NEW JERSEY

Ann Zahora, Director
DIVISION ON AGING
Department of Community Affairs
CN807
South Broad and Front Streets
Trenton, New Jersey 08625-0807
(609) 292-4833

NEW MEXICO

Stephanie FallCreek, Director
STATE AGENCY ON AGING
224 East Palace Avenue—4th Floor
La Villa Rivera Building
Santa Fe, New Mexico 87501
(505) 827-7640

NEW YORK

Jane Gould, Director
OFEICE FOR THE AGING
New York State Plaza
Agency Building #2
Albany, New York 12223
(518) 474-5731

NORTH CAROLINA

Al Boyles, Director
DIVISION OF AGING
1985 Umstead Dr. Kirby Bldg.
Raleigh, North Carolina 27603
(919) 733-3983

NORTH DAKOTA

Larry Brewster, Administrator
AGING SERVICES
Department of Human Services
600 East Boulevard
Bismarck, North Dakota 58505
(701) 224-2310

OHIO

Carol Austin, Director
DEPARTMENT OF AGING
50 West Broad Street—9th Floor
Columbus, Ohio 43266-0501
(614) 466-5500

OKLAHOMA

Roy Keen, Division Administrator
AGING SERVICES DIVISION
Department of Human Services
PO Box 25352
Oklahoma City, Oklahoma 73125
(405) 521-2281

OREGON

Richard Ladd, Administrator
SENIOR SERVICES DIVISION
313 Public Service Building
Salem, Oregon 97310
(503) 378-4728

PENNSYLVANIA

Linda Rhodes, Secretary
DEPARTMENT OF AGING
231 State Street
Harrisburg, Pennsylvania
17101-1195
(717) 783-1549

PUERTO RICO

Celia E. Cintron, Executive Director
GERICULTURE COMMISSION
Department of Social Services
Call Box 50063
San Juan, Puerto Rico 00902
(809) 721-0753

RHODE ISLAND

Adelaide Luber, Director
DEPARTMENT OF ELDERLY AFFAIRS
160 Pine Street
Providence, Rhode Island 02903
(401) 277-2880

SOUTH CAROLINA

Ruth Seigler, Director
COMMISSION ON AGING
915 Main Street
Columbia, South Carolina 29201
(803) 734-3203

SOUTH DAKOTA

Gail Ferris, Executive Director
OFFICE OF ADULT SERVICES AND AGING
Governors Drive
Pierre, South Dakota 57501
(605) 773-3656

TENNESSEE

Emily Wiseman, Executive Director
COMMISSION ON AGING
Suite 201
706 Church Street
Nashville, Tennessee 37219-5573
(615) 741-2056

TEXAS

O. P. (Bob) Bobbitt, Director
DEPARTMENT ON AGING
PO Box 12786 Capitol Station
1949 IH 35, South
Austin, Texas 78711
(512) 444-2727

UTAH

Percy Devine, III, Director
DIVISION OF AGING AND ADULT SERVICES
Department Of Social Services
120 North—200 West
Box 45500
Salt Lake City, Utah 84145-0500
(801) 538-3910

VERMONT

Joel Cook, Director
OFFICE ON AGING
103 South Main Street
Waterbury, Vermont 05676
(802) 241-2400

VIRGINIA

Wilda Ferguson, Commissioner
DEPARTMENT FOR THE AGING
700 Centre, 10th Floor
700 East Franklin St.
Richmond, Virginia 23219-2327
(804) 225-2271

WASHINGTON

Charles Reed, Assistant Secretary
AGING AND ADULT SERVICES
ADMINISTRATION
Department of Social and Health
Services
OB-44A
Olympia, Washington 98504
(206) 753-2502

WEST VIRGINIA

Susan Harman, Director
COMMISSION ON AGING
Holly Grove—State Capitol
Charleston, West Virginia 25305
(304) 348-3317

WISCONSIN

Donna McDowell, Director
BUREAU OF AGING
Division of Community Services
P.O. Box 7851
Madison, Wisconsin 53707
(608) 266-2536

WYOMING

Scott Sessions, Director
COMMISSION ON AGING
Hathaway Building-Room 139
Cheyenne, Wyoming 82002-0710
(307) 777-7986

PROGRAM COORDINATION AND DEVELOPMENT DEPARTMENT

SPECIAL PROJECTS SECTION

AMERICAN ASSOCIATION OF RETIRED PERSONS

1909 K STREET, NW
WASHINGTON, DC 20049

PF4224(1290) D13479